

Region 10 Quality Assurance Project §1115 Waiver

Minnesota's Response to Questions from the Centers for Medicare and Medicaid Services

What data does the State have from the Performance Based Contracting Demonstration ?

In accordance with the terms and conditions of the PBC Demonstration Project § 1115 waiver, an independent evaluation of the project was conducted during the first three years of project implementation. The University of Minnesota Institute on Community Integration conducted the independent evaluation of the project. In October 1998, the findings and recommendations of the University of Minnesota Institute on Community Integration's independent evaluation of the Performance Based Demonstration Project were submitted to David Greenberg, CMS Project Officer. The evaluation traced the history of the project, described and evaluated project implementation activities, and evaluated individual participant outcomes. Case studies of 12 people receiving services were also conducted. Included in the evaluation was an analysis of the activities undertaken by agencies that were and were not successful, and an overall evaluation of the effectiveness of the project and its impact on other systems change initiatives. A copy of the independent evaluation was submitted to you on December 5, 2000 as part of the final report for the Performance Based Contracting Demonstration Project § 1115 Waiver. Additional copies of the independent evaluation are available as needed.

*Please list the entities/facilities **currently located in Region X** and for each, describe the quality assurance system that is **utilized to "survey" the facility.***

The Department of Human Services has delegated to counties participating in the Region 10 project the authority to perform licensing reviews using alternative quality assurance standards and procedures for the following services:

In-home support and supported living services provided through the § 1915(c) Home and Community-Based Services (HCBS) Waiver for Persons with Mental Retardation or Related Conditions (MR/RC)

Semi-independent living services (SILS)

Day Training and Habilitation services (DT&H)

Adult Foster Care

Intermediate Care Facilities for People with Mental Retardation or Related Conditions (ICFs/MR)

Attachment A (previously provided as *Appendix B* of Minnesota's § 1115 waiver request) provides a list of the ICFs/MR located in Region 10. Under the proposed demonstration, the alternative quality assurance system in Region 10 will be used to "survey" each of these facilities. At this time five of the eleven counties making up Region 10 of Minnesota are participating in the project.

As previously stated, the Department of Human Services has entered into the initial phase of the Region 10 project and has delegated to these participating counties the

authority to perform state licensing reviews for HCBS Waiver, SILS, DT&H, Adult Foster Care and ICF/MR services using the alternative quality assurance system in Region 10.

Approval of the § 1115 waiver request will enable full project participation for ICFs/MR in Region 10. *Attachment B* (previously provided as *Appendix D* of Minnesota's § 1115 waiver request) provides a comparison of the current quality assurance system that is utilized to "survey" ICFs/MR in Minnesota and the quality assurance system under the proposed demonstration project for ICFs/MR located in Region 10 of Minnesota. A detailed description of the alternative quality assurance system in Region 10, including a description of the quality assurance standards and review process, was provided in Appendix C of Minnesota's § 1115 waiver request.

What data does the State have on the Region X HCBS programs?

What outcome measures does the State/Region have for the Region X HCBS program?

Independent Evaluation of 2000

In accordance with state law, the Region 10 Quality Assurance Commission contracted with an independent third party to conduct an evaluation of the initial phase of project implementation to assess project outcomes and to evaluate the merits of the alternative system as an efficient and effective approach to assuring the quality of services for persons with developmental disabilities. The evaluation was to consider the comprehensive nature of the alternative system, which is designed to evaluate the broad spectrum of licensed and unlicensed entities that provide services to clients, as compared to the current licensing system. It incorporates a financial review of the alternative quality assurance licensing system and an evaluation of the project's impact on the state budget.

The evaluation was conducted by Newman and Associates. Evaluation findings, along with a report to the Minnesota legislature and a follow-up summary from the Region 10 Commission in response to these findings, are provided in *Attachment C*.

Outcome Measurement

In 1998 stakeholders from Region 10 were convened to form the VOICE Assessment and Review (VAR) Committee. The VAR Committee has worked with Region 10 QA Commission members to develop a multi-faceted approach to assessing the impact of the alternative quality assurance system on service quality and consumer satisfaction and to inform on continuous improvement of the quality assurance system overall.

As a result, a set of outcome measures have been established. Local data collection and analysis involving both qualitative information and feedback from project participants as well as quantitative data derived from the results of individual reviews is underway. An overview of these evaluation activities, including the desired project outcomes, outcome indicators, and data collection methods developed by Region 10, is provided in the table entitled: Quality Assurance Outcome Measurement (please see *Attachment D*). These data collection and analysis activities are in various stages of development. The surveys and feedback forms developed to measure outcome 2.B. of the Quality Assurance Outcome Measurement table, and a summary of findings are also provided in *Attachment D*.

In terms of research, what hypothesis will the State test using the alternative quality assurance program ?

Implementation of the Region 10 Quality Assurance Pilot Project is based on the hypothesis that an individualized, outcome-based approach to service monitoring and evaluation results in improved service quality and offers a potentially viable alternative to existing quality assurance models. The independent evaluation of the Region 10 Quality Assurance Pilot Project will be designed to test this hypothesis in terms of the outcomes experienced by service recipients and others who have participated in the project compared to those who have not. A control condition will be established. Viable study designs may include a comparison of a matched group sample of demonstration and non-demonstration participant outcomes and a before and after (time-series) quasi-experimental design whereby demonstration participants serve as their own controls.

The evaluation will include both process and outcome components. The process evaluation will describe and evaluate the procedures and activities undertaken to develop and implement the alternative quality assurance system. The process evaluation will be qualitative in nature and will rely on surveys, interviews and on-site observations as the primary means of data collection. The outcome evaluation component will place greater emphasis on quantitative data collection processes in an effort to obtain quantifiable measures of the alternative quality assurance system in terms of its impact on service quality. Measures will focus on consumer-oriented outcomes and satisfaction with services provided.

Attachment A

The Performance-Based Contracting Demonstration Project and Region 10 Quality Assurance Pilot Project §1115 Waivers

A Comparative Summary

To demonstrate a more effective approach to evaluating consumer satisfaction and improving the quality of intermediate care facility for people with mental retardation (ICF/MR) services.

To demonstrate a more effective approach to evaluating consumer satisfaction and improving the quality of services and supports for people with developmental disabilities.

Evaluation techniques based on the premise that individualized, outcome-based approach to defining and evaluating service quality is more effective than the more standardized, process-oriented approach under the traditional quality assurance (QA) system.

Evaluation techniques based on the premise that individualized, outcome-based approach to defining and evaluating service quality is more effective than the more standardized, process-oriented approach under the traditional quality assurance (QA) system.

Intended to streamline existing monitoring efforts and provide a more holistic approach to the evaluation of service quality as experienced by the consumer.

Five ICF/MR provider agencies located in five counties.

All ICF/MR provider agencies located in the eleven counties making up Region 10 of Minnesota.

26 ICFs/MR.

156 ICF/MR recipients.

Alternative QA system includes the monitoring and evaluation of:
30 ICFs/MR.

428 ICF/MR recipients.

Alternative QA system includes the monitoring and evaluation of:

ICF/MR services
ICF/MR services
Home and community-based 1915(c) waiver services (HCBS)
Day training and habilitation services
Semi-independent living services (SILS)
Adult foster care services

Alternative QA standards and processes replaced existing ICF/MR certification standards and survey processes performed by the RUN Department of Health.
Demonstration of simplified cost reporting methodology for ICFs/MR.

State licensing reviews continued to be performed by RUN Department of Health and Human Services based on existing standards and processes.

Annual review for compliance with National Fire Protection Association's Life Safety Code by State Fire Marshall continued.

Facility-based review: ICF/MR services reviewed for consumers residing in facility.

Individual reviews completed using The Council's Personal Outcome Measures to determine the presence of consumer outcomes and the presence of individualized supports that assist in the achievement of consumer outcomes.

QA reviews conducted by interdisciplinary teams of stakeholders (consumers and their family members, advocates, state and county agency staff, service providers, and other involved community members) trained in the administration of the alternative QA reviews by independent consultant (The Council). Train-the-trainer approach built in to prepare additional team members and assure sustain-ability of team membership.

Alternative QA standards and processes to replace existing ICF/MR certification standards and survey processes performed by the RUN Department of Health as well as state licensing reviews currently performed by the RUN Departments of Health and Human Services.

Authority to perform state licensing reviews using alternative quality assurance standards and processes delegated to counties.

Annual review for compliance with National Fire Protection Association's Life Safety Code by State Fire Marshall continues.

Consumer-centered review: all services and supports provided to an individual included in each review.

Individual reviews completed using A Simpler Way's Value of Individual Choices and Experience (VOICE) to determine the contribution support providers make toward assisting individual consumers achieve desired outcomes.

QA reviews conducted by interdisciplinary teams of stakeholders (consumers and their family members, advocates, county agency staff, service providers, and other involved community members) trained in the administration of the alternative QA reviews by independent consultant (A Simpler Way). Train-the-trainer approach built in to prepare additional team members and assure sustain-ability of team membership.

Primary source of information attained through interviews with consumers and their representatives, interviews with direct care staff, and on-site observation. Review of records and written documentation completed as necessary.

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Compliance with procedural safeguards, physical plant and health and safety standards and procedures continued to be monitored by state licensing agents.

Compliance with procedural safeguards, physical plant and health and safety standards and procedures monitored by local review teams.

Emphasis on the identification of best practice, technical assistance and training and continuous quality improvement.

Emphasis on the identification of best practice and technical assistance and training with comprehensive continuous quality improvement strategies integrated into process at multiple levels of the service delivery system:

Individual and Program Level: Individual action plans which identify each provider's contribution to the plans developed and monitored on an ongoing basis.

Service Delivery System Level: Results of individual reviews synthesized in order to identify system-wide barriers and best practices to achieving service quality.

Process Improvement Level: Ongoing feedback on the reliability and validity of the alternative review process from its users thereby allowing for modification and continuous improvement of the process.

QA reviews conducted annually for each agency.

QA reviews distributed over 24-month period.

Agency-wide action plans developed and monitored annually.

Individual action plans for each consumer developed and monitored on an ongoing basis.

Three-party agreement established between provider agency, county agency and the state. Annual contract negotiations to review performance and set outcome-based performance targets for licensure and certification.

Agency-specific data base of findings established and maintained by county to track the results of individual QA reviews, implementation of action plans and application of new practices and protocols. Composite reports compiled and reviewed bi-annually for each agency. County recommendation for agency licensure and certification based on these findings.

Independent Evaluation

Independent evaluation conducted by the University of Minnesota, Institute on Community Integration. Independent evaluation to be conducted by vendor selected through competitive bidding process.

Formative evaluation included both process and outcome components.

Formative evaluation will include both process and outcome components.

Control Condition: Matched group sample for comparison of demonstration and non-demonstration group outcomes.

Study design will establish a control condition to allow for comparison of demonstration and non-demonstration group outcomes.

Project operations and evaluation funded through Cooperative Agreement Grant.

State statute stipulated that the cost of services for ICFs/MR under the project must not exceed 95 percent of the cost of the services that would otherwise have been paid to ICFs/MR had they not been selected to participate in the project. Reimbursement rates for each participating ICF/MR during project year one were adjusted to meet these service reduction requirements. Annual inflationary increases were applied at the beginning of each year thereafter.

Project Status

§ 1115 Waiver approved for period October 1, 1995 through September 30 1998.

§ 1115 waiver extension approved for period October 1, 1998 through September 2000.
Project operations and evaluation to be funded through an appropriation from the Minnesota legislature.

Alternative quality assurance system is not anticipated to have any direct impact on Medical Assistance (MA) payment for ICFs/MR. Project implementation is expected to be cost neutral in terms of overall ICF/MR expenditures for the project area.

Alternative QA system currently within purview of state statutory implemented for non-ICF/MR services authority.

§ 1115 waiver submitted January 2001.

Project implementation proposed
for summer 2001.

Attachment B

Minnesota's Region 10 Quality Assurance Pilot Project § 1115 Waiver

Caseload and Cost Estimates

The establishment, operation and evaluation of the Region 10 Quality Assurance Pilot Project is funded through an appropriation from the Minnesota Legislature. The alternative quality assurance system being tested under this pilot project is not anticipated to have any direct impact on Medical Assistance (MA)¹ payment for intermediate care facility for people with mental retardation (ICF/MR) services. Although project implementation is expected to be cost neutral in terms of overall ICF/MR expenditures for the project area, the emphasis on consumer-defined outcomes and satisfaction as indicators of service quality under the alternative quality assurance review process is expected to result in some level of internal restructuring and redistribution of personnel and program resources by service providers.

Caseload and cost estimates for the project were established based on total ICF/MR recipients and payments in Region 10 of Minnesota for state fiscal year 2000, trended forward using historical trend data on ICF/MR costs statewide. As stated, project implementation is expected to be cost neutral in terms of overall ICF/MR expenditures for the project area. Therefore, projected increases in ICF/MR expenditures under the Region 10 Quality Assurance Pilot Project will be consistent with projected increases for ICFs/MR in the region in the absence of the § 1115 waiver.

Table I on the following page provides five years of historical data to support the statewide trend factors used to project ICF/MR expenditures in Region 10. Table II and III on the following page provides a summary of projected ICF/MR expenditures without and with the § 1115 waiver over the three-year demonstration period.

¹Medical Assistance is Minnesota's traditional Medicaid program.

State Fiscal Year

Table I
Historical Medical Assistance Expenditures for ICFs/MR Statewide

Monthly
Average
Recipients

Monthly Average
Payment Per

Total Annual
Payments

Recipient

Recipient Trend Payment Trend

1996	3,955	3,568	169,319,936		
1997	3,735	3,774	169,150,013	-5.6%	5.8%
1998	3,562	3,765	160,917,651	-4.6%	-0.2%
1999	3,364	3,769	152,152,779	-5.6%	0.1%
2000					
3,111	4,111	153,474,659	-7.5%	9.1%	
			-5.8%	3.6%	

Table II
 Caseload and Cost Estimates *without* §1115 Waiver
 Based on Historical Medical Assistance Expenditures for ICFs/MR in Region 10 of Minnesota

State Fiscal Year

Monthly
 Average
 Recipients

**Monthly
 Average Payment
 Per Recipient**

Total Annual Payments

Recipient Trend

Payment Trend

2001	397	4,259	20,289,876	-5.8%	3.6%
2002	374	4,412	19,801,056	-5.8%	3.6%
2003	352	4,571	19,307,904	-5.8%	3.6%
2004	331	4,736	18,811,392	-5.8%	3.6%

Table III
Caseload and Cost Estimates *with* \$.115 Waiver
Based on Historical Medical Assistance Expenditures for ICFs/MR in Region 10 of Minnesota

State Fiscal Year

Monthly
Average
Recipients

Monthly Average
Payment Per
Recipient

Total Annual Payments

Recipient Trends Payment Trends

2001	397	4,259	20,289,876	-5.8%	3.6%
2002	374	4,412	19,801,056	-5.8%	3.6%
2003	352	4,571	19,307,904	-5.8%	3.6%
2004	331	4,736	18,811,392	-5.8%	3.6%

Historical ICF/MR caseload and costs are based on claims paid data generated from Minnesota's Medicaid Management Information System (MMIS).